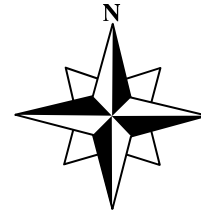


# Local Option Capital Asset Lending Program (LOCAL)



August 25, 2000

## *News and Views*



**MICHAEL J. MURPHY**  
Washington State Treasurer

### LOCAL Advisory Group

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**ALLAN J. MARTIN**  
Deputy Treasurer

Allan Martin has been promoted to Deputy State Treasurer, paving the way for the promotion of Martin Reynoso to manager of the LOCAL program.

Allan has been involved with the LOCAL program from its inception. His new responsibilities will involve oversight and supervision of the Bond Debt Division, which encompasses the certificate of participation program.

Allan said he has enjoyed working closely with local governments. "It has been rewarding and gratifying to help launch the LOCAL program and see its benefits. In my new position I'll continue to support Martin and his staff as the program grows to include real estate financing."

**Financing Local Government  
Equipment Needs . . .**



**Michael J. Murphy**  
Washington State Treasurer

## ***LOCAL video available now***

The Local Option Capital Asset Lending (LOCAL) video tells the story of King County Fire Protection District 50 and the financing of its new ambulance and aid car. The majority of the video was taped on location in Skykomish.

The video is available to you and your board of commissioners to explain the program. It is a good starting point for anybody looking at various financing options.

The video has been provided to county treasurers to share with their various districts. Videos for cities and others are available by request from the LOCAL program. If you want to view a tape, just contact us and it will be sent to you promptly.



### **Martin Reynoso LOCAL Program Manager**

Martin Reynoso has been promoted to the position of LOCAL Program manager. Martin is responsible for the overall management of the program and will work to ensure the best service possible for local agencies looking at options for financing equipment and/or real estate.

Martin joined the Office of the State Treasurer's lease/purchase program in March 1996. Since then, the Office of the State Treasurer has issued more than \$100 million in certificates of participation (COPs) for essential equipment for 84 state agencies and 76 local agencies and more than \$300

million in COPs for real-estate projects on behalf of 18 state agencies.

Martin is a member of the Washington Finance Officers Association, the Association for Governmental Leasing and Finance, and the Infrastructure Assistance Coordinating Council. He is also treasurer for the Timberland Regional Library Foundation.

Martin earned his Master of Public Administration degree from The Evergreen State College in Olympia. Martin also graduated from California State University at Northridge with a Bachelor of Science degree in business administration.

Martin served in the United States Army from 1987 to 1989. His experience includes private sector employment with the Hyatt Corporation.

Martin and his wife, Angelica, live in Olympia and enjoy hiking and participating in community events.

### ***LOCAL Prepares to Make Real Estate Financing Available to Local Governments***

The Office of the State Treasurer will expand the successful LOCAL (Local Option Capital Asset Lending) program this fall by offering local governments the option of financing real estate through the program.

LOCAL was originally set up to finance equipment acquisitions for local governments. The first equipment program financing was completed September 1, 1998. Since then, the Office of the State Treasurer has financed nearly \$13 million in essential equipment for 76 local governments in Washington.

Many different kinds of equipment, including computers, fire trucks, portable buildings, HVAC systems road construction equipment, etc., have been financed through LOCAL. The size of individual LOCAL financing transactions has ranged from \$10,000 to \$612,000.

The Office of the State Treasurer has received many positive comments

about the LOCAL equipment program. OST has welcomed suggestions for improvement and implemented them when possible. In the same way, we envision a strong customer focus to help the LOCAL real estate program become a key financing tool for local government managers.

We've designed the real estate component of LOCAL to offer local governments a streamlined, cost-effective program so local government managers can use and benefit from the program's low-cost financing.

The LOCAL equipment and real estate financing programs have been developed under the direction of the State Treasurer and an advisory group that has assisted with policy guidelines and legislative strategy. The advisory group includes staff members from the Office of the State Treasurer, Association of Washington Cities, Washington Association of School Business Officers, Association of Washington Cities, Washington Association of School Business Officers, Association of Fire Commissioners, Washington Association of County Treasurers, legal counsel and the program's financial advisor.

To make the real estate program easy to use, one of our guiding principles has been to take advantage of existing program mechanics whenever possible. Many of the forms will have the same look and feel as those for the local equipment program. However, we will ask for additional information about the land or buildings to be financed.

We expect to do the first LOCAL real estate financing in the fall of 2000. More detailed LOCAL real estate information, including forms, procedures, and a general description of the program, will be distributed soon to local governments.

Feel free to contact Martin Reynoso at [martin@tre.wa.gov](mailto:martin@tre.wa.gov) or 360-902-9021 for more information about the LOCAL real estate program.



**Sue Melvin  
Lease/Purchase Program  
Specialist**

Sue Melvin joined the Lease/Purchase team in May 1999 as a lease/purchase specialist.

Sue previously worked 12 years for the Thurston County Treasurer in various positions, including accounting and program manager. Sue has a Bachelor of Arts from Washington State University in Sociology.

Sue, her husband Don and daughter Lindsey live in Olympia. Sue and her family enjoy gardening, kayaking and camping.

**GA: LOCAL's partner for  
energy efficiency**

*Clint Loughheed, of the Department of General Administration's (GA) Division of Engineering and Architectural Services, submitted the following article about energy efficiency financing. General Administration has made successful use of the LOCAL program to fund energy-efficiency projects that help local governments save on energy costs and promote a healthier environment.*

**by Clint Loughheed**

For many years, Energy Saving Performance Contracting (ESPC) has been a popular tool for financing major equipment for state agencies. The Department of General Administration (GA) has been a national leader using ESPC in state facilities and perfecting an innovative process to implement energy-saving opportunities with the assistance of the LOCAL (Local Option Capital Asset Lending) financing program.

GA has developed a program for municipalities, special districts, school districts and other public entities interested in capitalizing on the benefits of ESPC. A big part of making a program of this kind work for municipalities is the ability to use the LOCAL financing program.

LaCenter High School recently completed a project funded through the State Treasurer's LOCAL program. After putting up with chronic HVAC and equipment control problems, the high school was able to replace its control system and pay for it out of energy conservation savings. The school realized electrical and natural gas savings plus operational savings totaling more than \$21,000 a year. In addition to the dollar savings were the environmental savings that are of equal importance to our state. LaCenter's project reduced carbon monoxide production by an impressive 184,000 pounds per year.

Project opportunities for schools and municipalities include energy-management systems, interior and exterior lighting, boiler replacement, repair of steam distribution systems, variable speed drives, and envelope projects such as wall insulation and energy-efficient windows. Performance contracting has been used successfully in community and technical colleges, correctional facilities, office buildings, museums and more than 30 state facilities.

Projects can be financed with utility grants and/or loans, loans from the State Treasurer's LOCAL program, or a combination of sources. The loan repayment amount is included in the agency's budget for the term of the energy services agreement, typically five to 10 years.

For more information on **Energy Performance Contracting** and how GA's program can help preserve state resources, protect the environment, and save utility dollars, contact:

Karen Purtee  
(360) 902-7194

[kpurtee@ga.wa.gov](mailto:kpurtee@ga.wa.gov)

**Facilities Engineering Services**  
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**Equipment  
Bi-Monthly Financing Dates**

Cutoff	Approx. Funding
January 10	February 15
March 10	April 15
May 10	June 15
July 10	August 15
September 10	October 15
November 10	December 15

**Real Estate Financing Dates  
to be Determined**

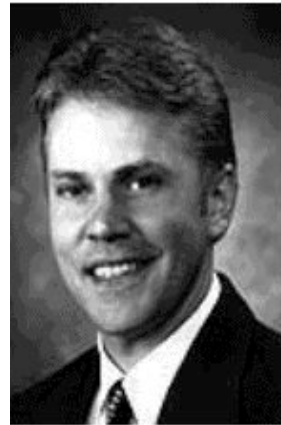
## **GOT COMPLIANCE?**

The Office of the State Treasurer has hired a new compliance team to provide oversight for its debt management function. Shad Pruitt came to OST in December 1999 as the Director of Compliance while Suzanne Coit began in June of this year as a Compliance Specialist.

Shad and Suzanne are responsible for monitoring the state's tax-exempt debt for compliance with federal tax and securities laws. Such debt includes general obligation bonds and lease purchase obligations that local governments often participate in when purchasing equipment. Shad comes to the Office of the State Treasurer from the State Auditor's Office (SAO) where he provided technical assistance and training to local government officials for more than 10 years. Suzanne's previous experience gave her a strong accounting background while working for the Thurston County Treasurer's Office, State Auditor's Office, a non-profit organization, and a public accounting firm.

Suzanne earned her bachelor's degree in accounting from the University of Puget Sound. She also has a history degree from Whitman College. Shad graduated from Washington State University with a BA in business administration (finance).

Shad and Suzanne are active members of several professional organizations, including the Washington Society of Certified Public Accountants, the American Institute of Certified Public Accountants, the Government Finance Officers Association, and the Washington Finance Officers Association.



**Shad Pruitt**  
**Director of Compliance**



**Suzanne Coit**  
**Compliance Specialist**